

FY 2019 NON-OPERATION SPECIFIC PIGGYBACK FACTORS (Public Portion)

I. PREFACE

A. Purpose and Content

USPS-FY19-24 documents development of the piggyback factors for major functions (e.g., mail processing, window service, city delivery, rural delivery, vehicle service drivers, and postmasters) for each Market Dominant product for FY 2019. Piggyback factors are employed in cost studies described in “E” below to augment labor cost estimates for the major functions by adding the costs associated with supervisors and administration, service-wide benefits, along with facility-related and equipment-related costs.

B. Predecessor Document

Docket No. R2006-1, USPS-LR-L-98, parts I and II; and Docket No. ACR2018, USPS-FY18-24.

C. Corresponding Non-Public Document

USPS-FY19-NP19 contains the piggyback factors for all classes and subclasses and also links to the CRA model output.

D. Methodology

USPS-FY19-24 uses the PRC cost methodology from Docket No. R2006-1, as described in the testimony of witness Marc Smith, USPS-T-13 and also Docket No. ACR2007, USPS-FY07-24. The piggyback factors reflect the calculations done in the CRA model. Thus changes to the CRA model, as described in USPS-FY19-31, affect the piggyback factors.

E. Input/Output

USPS-FY19-24 relies on inputs in USPS-FY19-31, CRA Model. (Public Version). Non-Operational Piggyback Factors are used to develop Letter Cost Models in USPS-FY19-10, Flat Cost Models in USPS-FY19-11, Marketing Mail Hybrid/Parcel Cost Study in USPS-FY19-12, Drop Ship Cost Avoidances for Periodicals and Marketing Mail in USPS-FY19-13, Parcels Cost Models in USPS-FY19-15, Bound Printed Matter and Parcel Post Transportation Costs/Bulk Parcel Return Service Cost Study in USPS-FY19-16, ECR Mail Processing Unit Costs in USPS-FY19-18, Delivery Cost by Shape in USPS-FY19-19, Window Cost by Shape in USPS-FY19-20, QBRM and BRM Costs in USPS-FY19-21, BPM Mail Processing Costs in USPS-FY19-22, Mail Processing Piggyback Factors (Operation Specific) in USPS-FY19-25, Special Cost Studies Workpapers – Special Services in USPS-FY19-28, Mail Processing Costs by Shape in USPS-FY19-26, Competitive Product Incremental and Group Specific Costs in USPS-FY19-NP10, and Special Cost Studies Workpapers -Special Services (Non-Public Portion) in USPS-FY19-NP26.

II. ORGANIZATION

See the Microsoft Office Excel workbook FY19Public.PB.xls.